



House of Representatives

General Assembly

File No. 21

February Session, 2006

House Bill No. 5495

House of Representatives, March 15, 2006

The Committee on Insurance and Real Estate reported through REP. O'CONNOR of the 35th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING ASSESSMENTS FOR IMMUNIZATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (2) of subsection (c) of section 38a-48 of the
2 2006 supplement to the general statutes is repealed and the following
3 is substituted in lieu thereof (*Effective July 1, 2006*):

4 (2) When the amount any such company or entity is assessed
5 pursuant to this section exceeds twenty-five per cent of the actual
6 expenditures of the Insurance Department and the Office of the
7 Healthcare Advocate, such excess amount shall not be paid by such
8 company or entity but rather shall be assessed against and paid by all
9 other such companies and entities in proportion to their respective
10 shares of the total taxes and charges imposed under chapter 207 on
11 business done in this state during the preceding calendar year, except
12 that for purposes of any assessment made to fund payments to the
13 Department of Public Health to purchase vaccines, such company or
14 entity shall be responsible for its share of the costs, notwithstanding
15 whether its assessment exceeds twenty-five per cent of the actual

16 expenditures of the Insurance Department and the Office of the
17 Healthcare Advocate. The provisions of this subdivision shall not be
18 applicable to any corporation which has converted to a domestic
19 mutual insurance company pursuant to section 38a-155 upon the
20 effective date of any public act which amends said section to modify or
21 remove any restriction on the business such a company may engage in,
22 for purposes of any assessment due from such company on and after
23 such effective date.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2006</i>	38a-48(c)(2)
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INS***Joint Favorable***

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
State Comptroller - Fringe Benefits	GF - Potential Cost	None	Indeterminate

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 07 \$	FY 08 \$
Various Municipalities	Potential Cost	None	Indeterminate

Explanation

The bill specifies that the health and welfare fee each Connecticut insurance company and HMO must pay is not capped at 25% of the expenditures of the Insurance Department and the Office of the Healthcare Advocate.

Section 19a-j7 of the C.G.S. requires the aggregate assessment to be equal to the amount appropriated for the childhood and adult immunization program; antibiotics and biologics related to the detection and treatment of tuberculosis; antibiotics to treat patients in communicable disease control clinics; and data collection efforts related to the immunization status of Medicaid enrolled children. The Governor's Revised FY 07 Budget includes \$9,044,950 under the Immunization Services account for these purposes.

The bill, by removing the 25% cap on the immunization assessment, may result in increased assessments on certain life and health insurers in the state. To the extent that these increases in assessment may be passed on to customers in the form of higher premiums, the state and municipalities could experience an increase in their future life and

health insurance costs that cannot be determined at this time.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis
HB 5495**AN ACT CONCERNING ASSESSMENTS FOR IMMUNIZATIONS.****SUMMARY:**

This bill specifies that the health and welfare fee each Connecticut insurance company and HMO must pay annually is not capped at 25% of the expenditures of the Insurance Department and the Office of Healthcare Advocate. Thus, each company will pay an amount in proportion to its respective share of premium taxes and other charges imposed on its in-state business in the preceding calendar year. The fee, which goes to the General Fund, pays for immunization services provided in Connecticut by the Department of Public Health.

EFFECTIVE DATE: July 1, 2006

BACKGROUND***Health and Welfare Fee***

Connecticut insurance companies and HMOs that do life or health insurance business in Connecticut annually pay the insurance commissioner a health and welfare fee she assess them. The fee is a percentage of the total appropriation for immunization services. Connecticut insurance companies also annually pay the insurance commissioner a fee to pay for the Insurance Department's and the Office of Healthcare Advocate's operations. The commissioner calculates the health and welfare fee in the same manner as the operations fee (CGS § 19a-7j).

Insurance Department and Healthcare Advocate Operations Fee

Connecticut insurance companies and hospital and medical service corporations annually pay the insurance commissioner the actual expenditures, including fringe benefits and capital equipment purchases, of the Insurance Department and the Office of Health Care Advocate. The commissioner deposits payments received in the Insurance Fund.

The commissioner allocates 20% of the total due from the industry against hospital and medical service corporations and 80% against

insurers. She assesses insurers 100% of the total due when no hospital or medical service corporations are doing business in Connecticut. The amount any one company must pay is limited to 25% of the department's and advocate's actual expenditures. Any excess amount is paid by all other entities in proportion to their in-state business.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 19 Nay 0 (03/07/2006)